

Zhone Technologies, Inc.

@ Zhone Way
7001 Oakport Street
Oakland, CA 94621
Phone: 510.777.7000
Fax: 510.777.7001

www.zhone.com



Z H O N E

January 2, 2008

Dear Customer:

I wish to inform you that on December 28, 2007 Communications Test and Design Inc. ("CTDI") acquired assets relating to the AccessNode product families from Zhone Technologies. This includes the AccessNode, AccessNode Express, and Universal Edge 9000 product lines.

CTDI, headquartered in West Chester Pennsylvania, has provided groundbreaking maintenance service solutions to the telecommunications industry since 1975. Over the years, CTDI has strategically diversified its Service Portfolio to include: Wireline Repair & Logistics, Wireless Repair & Logistics, Engineering and Installation services, Global Supply Chain solutions, and Product Engineering & Manufacturing. Today, CTDI services our global customers from 38 worldwide strategic repair and logistics locations supported by an experienced team of over 3,700 telecommunications professionals.

CTDI is staffed to immediately address your AccessNode sales, service and support needs. As a valued customer, you will continue to receive Zhone's service and support for the balance of your other Zhone products. Should this transaction materially affect any previously contracted business practices, we will be contacting your purchasing organization to discuss and resolve any issues.

For your convenience, CTDI's ordering and support practices document is attached including some of the personnel you might have a need to contact for specific customer services. CTDI will also be contacting you to answer any questions you may have relating to this transaction.

From all of us at Zhone, we thank you for your business and we look forward to working with you to deliver network solutions in the future.

Sincerely yours,

David Misunas
Vice President, Business Development
Zhone Technologies, Inc.

FAQ for Customers on the AccessNode Business Unit Sale to CTDI

1. GENERAL QUESTIONS

1.1 *What has Zhone Technologies and CTDI decided to do?*

Zhone Technologies has sold the AccessNode, AccessNode Express, and Universal Edge 9000 product family to Communications Test Design, Inc (CTDI), effective December 29, 2007.

As part of this agreement, Communications Test Design, Inc. (CTDI) will accept new orders for systems and extensions and will assume product support responsibility for these products, including customer service, repair and return and warranty.

1.2 *Who is Communications Test Design, Inc (CTDI)?*

CTDI has provided groundbreaking maintenance service solutions to the telecommunications industry since 1975. Over the years, CTDI has strategically diversified its Service Portfolio to include: Wireline Repair & Logistics, Wireless Repair & Logistics, Engineering and Installation services, Global Supply Chain solutions, and Product Engineering & Manufacturing. Today, CTDI services its global customers from 38 worldwide strategic repair and logistics locations supported by an experienced team of over 3,700 telecommunications professionals.

Zhone Technologies and CTDI have had an outstanding working relationship over several years. In the past, CTDI has provided Zhone with repair services for the AccessNode product line, and had also purchased the eLuminant line of products from Zhone in September of 2005. As such, CTDI is uniquely qualified to provide continued sales and outstanding customer support for the AccessNode, AccessNode Express, and UE9000 product family.

For more information about CTDI and its products and services, please visit their Web site at <http://www.ctdi.com/>.

1.3 *What is the scope of this Agreement?*

With the closing of this agreement, CTDI assumes full responsibility for the sales and support of the AccessNode, AccessNode Express, and Universal Edge 9000 product lines. This includes responsibilities for:

- **Sales / New Orders** — CTDI will continue to sell the AccessNode, AccessNode Express and UE9000 products to customers. Effective with the closing of the agreement with CTDI (on December 29, 2007), all new orders for AccessNode equipment will be fulfilled by CTDI. Purchase orders received by Zhone after the closing date will be redirected to CTDI for order verification, acknowledgment, booking, scheduling, and shipment by CTDI.
- **Customer Service** — CTDI will have a staff of technical support personnel that will support the product effective with the closing of the sale.
- **Warranty** — Current warranty obligations for the affected products will transfer to CTDI. As existing contracts expire, CTDI will establish new after-warranty service contracts with customers.
- **Repair & Return** — CTDI will perform this function for all AccessNode, AccessNode Express, and UE9000 equipment.

1.4 *How will this decision affect the plans of customers who are currently deploying the AccessNode portfolio?*

Customers currently deploying AccessNode products should be encouraged by this transaction. CTDI's acquisition of Zhone's AccessNode business ensures customers of continued supply and service for the industry leading, TDM and SONET-based DLC technology. Our customers, familiar with this product line, can continue to plan and deploy these products with CTDI.

2. ORDERING & DELIVERY

2.1 *When will customers begin ordering from CTDI?*

With the closing of the business transaction on December 29, 2007, customers should begin to order AccessNode products from CTDI effective immediately. Orders should be faxed to CTDI Order Management Department at 720-367-5262 or emailed to adelgadillo@ctdi.com. Any questions regarding order placement may be directed to Anton Kaeslin, 484-686-2753 or akaeslin@ctdi.com.

2.2 *Will Zhone Technologies continue to accept orders on AccessNode / UE9000 products from customers after this date?*

No, effective December 29, 2007, Zhone will no longer accept orders for AccessNode, AccessNode Express, or UE 9000 products.

2.3 *Will current Zhone commitments to existing customers for AccessNode business transfer to CTDI?*

CTDI will honor any existing purchase agreements and current warranty obligations though the terms of the existing contracts.

3. ONGOING SUPPORT

3.1 *Is CTDI taking over the support of the installed base?*

Yes. CTDI will support the AccessNode product line and the existing customer installed base.

Effective December 29, 2007 customers should contact CTDI at 615-884-7455 for ongoing technical support of their AccessNode products.

3.2 *How does this action impact support for customers who have an active Service and Support contract with Zhone Technologies?*

As part of the sale of the AccessNode line of business, CTDI assumes overall responsibility for support contracts with existing customers. In a few instances, Zhone must obtain customer authorization to transfer responsibility associated with existing service contracts, and will endeavor to complete this process with all such contract customers as soon as possible.

All customers that are not covered by an existing service contract should contact Anton Kaeslin at 484-686-2753 or akaeslin@ctdi.com in order to setup a contract and receive service. Calls received by Zhone Technologies from non-contract customers will be referred to the CTDI support line.

Customers who are covered by an existing Zhone service contract will be handled on a case-by-case basis, and may continue to direct their support requests to Zhone's technical support line at 877.ZHONE20 (or 877.946.6320; Menu options 3-1-1). Once authorization to transfer support responsibility to CTDI has been obtained from a contract customer, future support calls from that customer will be referred to CTDI.

3.3 *How will repair and return for these products be handled? Who will maintain spare/replacement circuit packs for these products?*

CTDI will, effective immediately, provide repair and return services for the AccessNode product line, and existing spare / replacement circuit packs and inventory have been transferred to CTDI as part of the sale of the AccessNode line of business. Customers can arrange for RMA services by contacting the CTDI RMA department at 615-884-7455 or by sending an email to ncservice@ctdi.com.

3.4 *How will existing customer Service Requests (SRs) be handled?*

Customers should see no change. SRs will be kept open and continue to be worked by CTDI support staff.

4. KEY CONTACTS

4.1 Who can customers contact in CTDI or Zhone for more information?

CTDI Contact Information:

Function	Contact
CTDI Customer Service RMA & TAS CTDI Call Center	ncservice@ctdi.com 615-884-7455
CTDI Order Management & POs: Email Purchase Orders: FAX Purchase Orders: Order Enquiries:	adelgadillo@ctdi.com 720.367.5262 (FAX) 484.686.2753 (Voice)
CTDI Sales US & International: Anton Kaeslin Canada: Sam Fadlallah	akaeslin@ctdi.com 484-686-2753 sfadlallah@ctdi.com 514-893-3538
CTDI Product Management Kevin Giniewski	kginiewski@ctdi.com 610-793-8729
CTDI Press Relations Jim O'Hara	johara@ctdi.com 610-793-8145

Zhone Contact Information:

Function	Contact
Zhone Customer Service RMA & TAS Zhone Technical Support	support@zhone.com 877.ZHONE20 (877.946.6320) Menu Options: Product Support: 3-1-1 Repair/Replacement: 3-2-1
Zhone Sales US: Michael Fischer Canada: Doug North CALA: Anthony (Tony) Jonusas	mfischer@zhone.com 262.367.2315 dnorth@zhone.com 416.686.3475 ajonusas@zhone.com 305.789.6680
Zhone Product Management Allan Peel	apeel@zhone.com 678-259-8956
Zhone Press Relations Tracy Oliver	tracy@skycastlemedia.com 510.665.7984